

UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY	
Caption in compliance with D.N.J. LBR 9004-2(c)	
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<i>Counsel for GRF Master Fund, L.P., Anchorage Illiquid Opportunities Offshore Master, L.P. and Anchorage Capital Master Offshore, Ltd.</i>	
In re: Zais Investment Grade Limited VII, Debtor.	Chapter 11 Case No.: 11-20243 (RTL) Judge: Raymond T. Lyons

**APPLICATION TO APPROVE CONSENT ORDER TERMINATING THE
EXCLUSIVE PERIODS DURING WHICH THE DEBTOR MAY FILE A
CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

The Application of *GRF Master Fund, L.P., Anchorage Illiquid Opportunities Offshore Master, L.P. and Anchorage Capital Master Offshore, Ltd.* (the “Petitioning Creditors” or “Plan Proponents”), by and through their undersigned counsel, Fox Rothschild LLP (“Fox”), respectfully represents:

I. INTRODUCTION AND JURISDICTION

1. This Application is submitted pursuant to D.N.J. LBR 9013-1(j) seeking entry of the proposed consent order by and between the Plan Proponents and Zais Investment Grade Limited VII (the “Debtor”), terminating the exclusive periods during which the Debtor may file a chapter 11 plan and solicit acceptances thereof, as described more fully below.

2. This Court has jurisdiction over this application pursuant to 28 U.S.C. §§ 1334 and 157(b). This is a “core proceeding” pursuant to 28 U.S.C. § 157(b)(2)(A).

3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

4. On March 15, 2011, the Plan Proponents commenced solicitation of the Original Prepackaged Plan of Reorganization (the “Plan”) for the Debtor.

5. On April 1, 2011, the Plan Proponents filed an involuntary petition (the “Petition”) against the Debtor for relief pursuant to Chapter 11 of Title 11, United States Code (the “Bankruptcy Code”).

6. On April 15, 2011, the solicitation of the Plan closed.

7. The Plan Proponents believe that the class of Senior Note claims, the only impaired class entitled to vote on the Plan, voted to accept the Plan in satisfaction of section 1126(c) of the Bankruptcy Code. Specifically, the Plan Proponents believe that the Plan was accepted by creditors that hold 95.08% in amount and 66.67% in number of the Senior Note claims that voted to accept or reject the Plan.

8. On April 26, 2011, the Court entered an Order for the relief requested in the Petition.

9. The Debtor does not intend to file its own plan of reorganization.

II. RELIEF REQUESTED

10. The Plan Proponents seek entry of the Proposed Consent Order, a true and correct copy of which is attached hereto as Exhibit “A”, terminating the exclusive periods (“Exclusivity”) during which the Debtor may file a chapter 11 plan pursuant to section 1121(d) of the Bankruptcy Code.

11. The Debtor does not contest either the termination of its Exclusivity or the entry of the Consent Order.

12. The Office of the United States Trustee does not contest entry of the Consent Order.

13. The Plan Proponents believe that terminating the Debtor’s Exclusivity will move this case forward materially and will prevent the cost and delay that would otherwise arise from waiting for the statutory termination of the Debtor’s Exclusivity.

14. The Plan Proponents submit that the terms of the Proposed Consent Order are fair and reasonable under the circumstances, were negotiated in good faith and are in the best interest of the Debtor’s estate.

[INTENTIONALLY CONTINUED ON THE NEXT PAGE]

WHEREFORE, the Plan Proponents respectfully request that the Court enter the Proposed Consent Order and grant such other relief as the Court deems just and appropriate under the circumstances.

Respectfully submitted,

FOX ROTHSCHILD LLP
(Formed in the Commonwealth of Pennsylvania)

Attorneys for the Plan Proponents

By: /s/ Martha B. Chovanes
Martha B. Chovanes, Esquire

Dated: April 29, 2011

Exhibit A